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Report to the Chairman, Committee on Post Office and Civil Service, House of Representatives

March 1988

POSTAL SERVICE

Labor-Management Relations and Customer Services at the Simi Valley, California, Post Office

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United States
General Accounting Office
Washington, D.C. 20548

General Government Division

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March 3, 1988

The Honorable William D. Ford
Chairman, Committee on Post Office
and Civil Service
House of Representatives

Dear Mr. Chairman:

As requested in your December 8, 1986, letter we have reviewed labor-management relations and customer services at the Simi Valley, California, Post Office. Representatives Frank McCloskey and Mervyn M. Dymally had received correspondence that both employees and customers were dissatisfied with conditions at the Simi Valley facility. Employees complained of excessive job-related stress and resulting inability to work productively, while customers expressed concern about poor services. You asked us to review these problems and to determine whether corrective actions taken or planned by the facility's management are improving conditions there.

In performing our review we analyzed applicable records, including various management reports, grievance documents, and carrier route analysis forms and interviewed Simi Valley postal employees, union officials, Simi Valley postal officials, and officials of the Santa Barbara Management Center and the Van Nuys Postal Division who supervise Simi Valley operations. We performed our review between December 1986 and July 1987. Our objectives, scope, and methodology are discussed in more detail in appendix I.

We confirmed that labor-management and customer service problems existed at the Simi Valley facility before November 1986. Employees, union officials, and managers agreed that working relationships between labor and management were tense and stressful. The majority of the employees we spoke with believed they were being harassed and treated with disrespect by supervisors. Employee grievances were often not promptly or directly resolved. Required formal labor-management meetings, designed to improve labor-management interaction and communication, were not being held. In addition, required management functions directly affecting the employees' welfare and morale, such as prescribed reviews of mail routes and retail customer service activities, were not being conducted. Moreover, the quality of services provided Simi Valley customers was declining, and customer complaints were on the rise.

In November 1986, there was a change in Simi Valley Post Office management, and since that time there have been marked improvements in labor-management relationships and the quality of services provided the public. These improvements, in our opinion, result from actions taken by Simi Valley's acting Postmaster to more effectively manage the facility and its workforce and to raise the quality of services provided the public.

Details on labor-management relations and customer services problems before November 1986 and on actions taken by the acting Postmaster to improve conditions between November 1986 and July 1987, when we completed our review, are included in appendix I. The Postmaster General agreed that this report correctly described the problems existing before November 1986 and the corrective actions taken since November 1986. A copy of the Postmaster General's letter is included as appendix II.

As arranged with your committee, we are sending copies of this report to the Postmaster General; the Director, Office of Management and Budget; and other interested parties.

Sincerely yours,

L. Nye Stevens
Associate Director

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Labor-Management Relations and Customer Services at the Simi Valley Post Office

Introduction

By letter dated December 8, 1986, Representative William D. Ford, Chairman of the Committee on Post Office and Civil Service, House of Representatives, asked us to review labor-management relations and customer services at the Simi Valley, California, Post Office. Correspondence received by Representative Frank McCloskey, Chairman of the Subcommittee on Postal Personnel and Modernization, and Representative Mervyn Dymally of California reflected dissatisfaction on the part of both employees and customers with management of the Simi Valley facility. The Representatives said employees complained of excessive stress on the job, with resulting inability to work productively, while customers complained about poor services.

Objectives, Scope, and Methodology

The objectives of our review were to determine the nature and extent of labor-management relations difficulties at the Simi Valley Post Office and the quality of customer services provided there, and determine whether corrective actions taken or planned by the facility's management were improving working conditions and customer services.

To accomplish these objectives, we reviewed the following:

- minutes of labor-management meetings held during fiscal year 1986 through June of fiscal year 1987;
- grievance procedures and case histories on all grievances filed during the period October 1984 through July 1987;
- various indicators of performance efficiency for the Simi Valley Post Office for fiscal years 1984 through the third quarter, 1987 (these include such data as total office overtime hours as a percentage of total office hours, and carrier overtime hours as a percentage of total carrier hours). We used this data as it was provided by Simi Valley officials; we did not test or verify the data's accuracy;
- Postal Service criteria and guidance for maintaining productive working relationships between employees and management;
- Postal Service criteria and procedures for maintaining proper adjustment of carrier routes and delivery service standards for various classes of mail;
- Postal Service criteria and procedures for maintaining acceptable levels of retail and delivery services; and
- Postal Service management reports used in monitoring labor-management relations, time to complete carrier routes, and adequacy of retail and delivery services being provided.

We also interviewed

- all supervisory officials who served at the Simi Valley facility during the period of our review, except the Postmaster, who was on extended sick leave during the entire period;
- officials of the Van Nuys Field Division and the Santa Barbara Management Sectional Center;
- officials of the local branch of the National Association of Letter Carriers;
- twenty-six randomly selected employees of the Simi Valley Post Office. (We also interviewed 30 additional employees who at the beginning of our review indicated a desire to talk with us. We did not include their responses in our analysis since their comments could not be demonstrated to be representative of the group of employees as a whole. However, their comments were generally consistent with those of the randomly selected employees.)

Our work was done during the period December 1986 to July 1987, and was performed in accordance with generally accepted government auditing standards.

The Simi Valley Post Office

The Simi Valley Post Office serves a growing community of approximately 99,000 residents in Ventura County, California. The community's population has increased by 11,000 since 1984, and the number of dwellings has grown from 25,000 to 30,000. Postal deliveries increased by over 4,000 during that period. The Simi Valley Post Office employed 156 persons as of June 29, 1987, including an acting postmaster, 6 managers and 149 employees (95 letter carriers, 52 clerks, and 2 maintenance staff).

Simi Valley's management structure consists of a postmaster; a superintendent of postal operations; and five supervisors in delivery, distribution, and window operation areas. The Simi Valley office reports organizationally to the Santa Barbara Management Sectional Center, which itself is part of the Van Nuys Division.

Although the organizational structure has remained constant, management changes occurred at Simi Valley during October and November 1986. An acting Postmaster was appointed because the Postmaster went on extended sick leave. Two front-line supervisors were reassigned to other postal facilities.

Labor Management Relations at Simi Valley Post Office

Our review confirmed that labor-management problems existed at the Simi Valley Post office before November 1986. A majority of the employees we interviewed contended that they were being harassed and treated with disrespect by their supervisors, that grievances were not being properly handled, and that employee-management communication channels had broken down. We found, moreover, that some management policies and functions required by Postal Service regulations and national labor agreements, which we believe had a direct bearing on the Simi Valley employees' morale and welfare, were not being effectively carried out before November 1986. These requirements ranged from maintaining an atmosphere of mutual respect between employer and employee, to reviewing and adjusting letter carriers' routes in accordance with Postal Service guidelines. We believe these conditions contributed to the labor-management difficulties at the facility.

We found significant improvements in conditions at the Simi Valley facility after November 1986. We believe these improvements were due to positive actions taken by the management team that took over in November 1986.

Employee Working Conditions at Simi Valley

Postal Service guidance requires that postal management (1) maintain an atmosphere of mutual respect between employer and employee and consideration for each other's rights, (2) assure that employees clearly understand management's expectations of them with regard to their assignments, (3) resolve as many problems as possible before they become grievances, and (4) make every reasonable effort to resolve grievances at the lowest level.

Randomly selected employees, union officials, and managers we spoke with generally agreed that a tense and stressful working relationship existed between employees and management at the Simi Valley Post Office before November 1986.

However, most agreed that conditions have improved significantly since then. For instance, some supervisors who had been at Simi Valley before and after the change in management said that before the change, employees were not being treated with respect and efforts were not made to resolve differences at the lowest level possible — between employee and immediate supervisor. They noted marked improvements after the change of management, however.

We interviewed 26 randomly selected Simi Valley employees to learn more about labor-management relations before and after the November 1986 managerial changes at the facility. Our questions were designed to reflect whether Postal Service criteria for managing labor relations were being met. The responses to our questions revealed a marked difference in the labor-management relations, as perceived by the respondents, before and after the management changes. This is shown in table I.1.

Table I.1: Interview Results From 26 Randomly Selected Simi Valley Employees

	Before Changes in Management			After Changes in Management		
Questions	**Yes**	**No**	**No position[a]**	**Yes**	**No**	**No position[a]**
1. Were you treated with respect by your supervisors?	7	14	5	25	1	0
2. Were you harassed by your supervisors?	14	8	4	6	20	0
3. Did management attempt to resolve problems before they became grievances?	2	12	12	11	2	13
4. Were grievances resolved at the lowest level possible?	1	15	10	9	4	13

[a]Some individuals who expressed no position had not been involved in grievances or had not been at Simi Valley before changes in management.

Another indicator of labor-management relations at the Simi Valley facility is the number of disciplinary actions taken against employees by management. We found significantly reduced numbers after the November 1986 managerial change.

Table I.2 reflects disciplinary actions taken in 1986 and as of July 30, 1987. Although we could not project numbers of disciplinary actions for the remainder of 1987, based on the data for the 7-month period ending July 30, 1987, we believe the numbers will be lower than in 1986.

Table I.2 Disciplinary Actions Taken Against Simi Valley Employees in 1986 and 1987

Types of Disciplinary Actions	**1986**	**1987[a]**
Letters of warning	33	9
7-day suspensions	7	2
14-day suspensions	4	0
Removals	1	0
Total actions	**45**	**11**

[a]As of July 30, 1987.

The Postal Service, in accordance with union agreements, has established regular channels of communication, including labor-management committee meetings. These meetings, required to be held every other month (or more frequently if needed), are intended to provide a forum for discussing, exploring, and considering with management matters of mutual concern. No labor-management meetings were held during 1986. The acting Postmaster began holding the meetings as required, beginning in February 1987.

Carriers' Routes Exceeded Standard and Route Management Procedures Were Not Followed

Mail routes, the routes letter carriers follow in delivering mail, directly affect the carriers' job classifications, the length of their delivery schedules, and the volume of mail they are assigned to deliver. Postal Service guidance requires annual reviews of mail routes to assure that prescribed route standards are maintained. We found that no route reviews were conducted as required between December 1984 and November 1986; a substantial number of routes did not conform to postal criteria; and the lack of reviews and adjustments adversely affected the Simi Valley employees' morale and welfare. Route reviews were conducted and adjustments were made after November 1986.

Mail Route Review Adjustment Criteria

Postal Service criteria requires that carriers be able to complete their routes in as close to 8 hours as possible. To maintain the 8-hour route assignment and appropriate daily workloads, postal management is required to make route reviews at least annually. These reviews consist primarily of analyses of the letter carriers' work hours, mail volumes, and possible number of deliveries. If major discrepancies against operating procedures and standards are noted and if they are not easily corrected through minor adjustments, postal management must initiate more detailed analyses, referred to as inspections, which involve physically counting the mail for 6 days and accompanying the carriers on their routes for 1 or more days.

Postal management can initiate route reviews and/or inspections more frequently than annually if they believe routes are out of adjustment relative to the normal 8-hour route assignment. A letter carrier may request a special mail count and inspection if over any 6 consecutive weeks (where work performance is satisfactory) a route shows over 30 minutes of overtime or assistance from other carriers is needed on each of 3 days or more in each week of this period. Postal regulations require the postal manager to complete the mail count and inspection within 4

weeks of the request. Needed adjustments must be placed into effect within 52 calendar days of completion of the inspection.

Route Reviews Were Not Being Conducted

We found that no route reviews were conducted at Simi Valley between December 1984 and November 1986. During this period, there was concern among Simi Valley letter carriers over management's lack of attention to route reviews and adjustments, as reflected in filings of several union and individual grievances and the comments of several letter carriers with whom we spoke.

A January 1986 union grievance, filed for management's failure to conduct route inspections requested by letter carriers on nine routes, exemplifies the carriers' concerns. The grievance was sustained and the union was promised the routes would be inspected by March 15, 1986. In June 1986, the union filed another grievance requesting that the inspections promised in March be carried out immediately. The grievance was denied by local management and appealed by the union to regional labor relations. In October, the appeal was denied on the basis that the Postal Service was going to conduct a review of all Simi Valley routes and adjust all routes found in need of adjustment. The review was conducted in November 1986, and routes were subsequently inspected in February 1987.

To gather insights into labor-management relations as it pertained to letter carriers, both before and after Simi Valley's November 1986 change of management, we interviewed 16 randomly selected letter carriers. We asked questions about management's procedures for assuring proper adjustment of Simi Valley routes. Eleven letter carriers responded that they did not believe requests for route inspections and adjustments were being properly handled before the change in management. Five carriers indicated that they still believed procedures for requesting route inspections were not being properly implemented after the change in management.

Mail Route Review Inspections Resumed and Adjustments Made

Santa Barbara Management Sectional Center and Simi Valley postal management officials conducted a unit review of mail routes in November 1986. While data for each route were analyzed, procedures for identifying mail routes needing attention and detailed analyses of suspect routes were not completed. Also, required access to data was not given to the union.

In January 1987, postal officials conducted another, more comprehensive, unit review of the Simi Valley facility. The review led to detailed inspections on 26 routes. On the basis of the inspections, the Service adjusted mail deliveries on 16 existing routes and created 6 new routes. No adjustments were made to 10 of the routes inspected. The Simi Valley facility had a total of 58 carrier routes as of June 1987. We believe these actions responded to some long-standing problems with Simi Valley routes and were advantageous to both the quality of mail delivery and the morale and welfare of the employees.

Retail and Delivery Services Have Improved

Before November 1986, there were deficiencies in both the retail operations and the delivery operations at the Simi Valley Post Office. Beginning in November 1986, management took various actions, such as retraining personnel, adjusting delivery routes, and refurbishing equipment, that resulted in improved delivery and retail services. Indications are that these improved services have significantly increased customer satisfaction.

Service Was Below Postal Standards

The Postal Service sets goals for post offices concerning customer service, which the Simi Valley Post Office was not meeting. For example, the Postal Service goal is that customers should not have to wait for window service more than an average of 2 minutes, and no one should wait more than 10 minutes. According to a Retail Analysis Program Study[1] conducted by the Santa Barbara Management Sectional Center in November 1986, the average waiting time at Simi Valley between 2:30 p.m. and 5:00 p.m. on the day of the study was 10 to 20 minutes, with an average of 18 customers in line. The Retail Analysis Program Study found that there were too few staff; clerks were taking breaks during peak times when lobby lines were the longest; and customers were allowed to complete forms at the window, which unnecessarily delayed customers waiting in line.

In addition to the Retail Analysis Program survey, the Management Sectional Center conducted a review of delivery operations in October 1986 in response to a congressional inquiry. The review disclosed deficiencies in delivery operations, including several after-dark deliveries; two

[1]The Santa Barbara Management Sectional Center is supposed to conduct a Retail Analysis Program Study every 5 years and specific reviews of staff scheduling every 2 years. According to postal officials, no reviews had been conducted at Simi until 1986 when the Van Nuys Divisional Manager, in response to a congressional inquiry, initiated a review of operating practices and conditions at the Simi Valley Post Office.

instances of Sunday delivery because of inadequate staffing; and failure to complete key forms necessary for monitoring the status of routes in terms of assistance needed, overtime used, and growth information such as an increase in the number of deliveries.

Corrective Actions Initiated

After November 1986, the new management initiated numerous changes to improve delivery and retail operations. For example, to enhance timely delivery of mail, some routes were adjusted and new routes were created. Arrangements were made to have incoming mail arrive earlier, and new sorting procedures were established so clerks could get mail to carriers earlier. For ease of customer mailing, new mail boxes were installed in the community. In addition, the acting Postmaster took steps to improve the efficiency of retail operations and the appearance of the post office lobby. To improve efficiency, lobby staffing was reallocated to accommodate business during peak periods; the window supervisor was retrained on staffing windows; one new stamp-vending machine was installed and another was repaired; the dollar changer was repaired; and personnel were trained to provide telephone service in a timely manner. To improve lobby appearance, counters and windows were cleaned; the lobby was painted; and new blinds and counter glasses were installed.

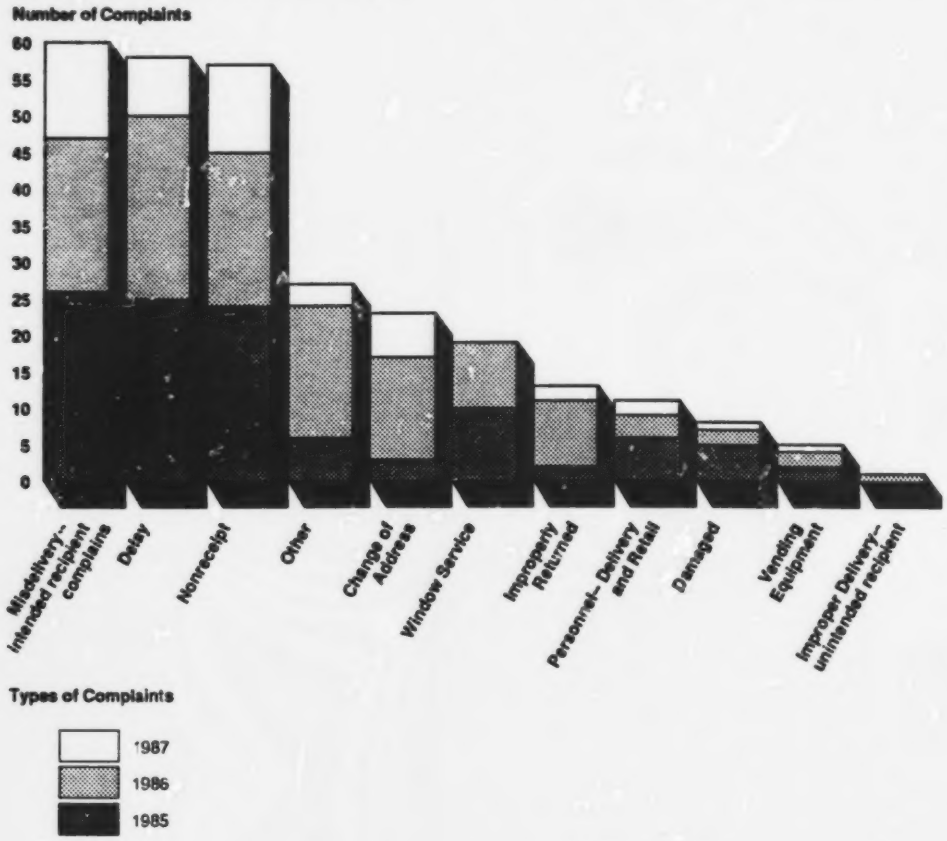
Number of Complaints Decreased

Because of management's actions to rectify the deficiencies at the Simi Valley Post Office, there have been considerably fewer customer complaints about service in 1987. In calendar year 1985, there were 109 complaints; in calendar year 1986, 130; and as of September 3, 1987, 48. The following chart compares the major categories and numbers of customer complaints for 1985, 1986, and through September 3, 1987.

As the chart demonstrates, complaints in vital areas such as long waits for retail window service, damaged mail, customers not receiving mail, mail delivered to the wrong addresses, and delays in delivery were either reduced or eliminated during the first 8 months of calendar year 1987 compared to 1985 and 1986. Although the chart does not break down the "delay" complaint by type, we searched postal records and discovered that there were no customer complaints concerning after dark or Sunday deliveries in 1987.

The reduction in or elimination of complaints seemingly indicates greater customer satisfaction with the service of the Simi Valley Post Office.

Figure I.1 Customer Complaint Analysis



Calendar years. However, stack 3 is only through September 3, 1987.

Agency Comments

The Postal Service agreed that this report correctly described the problems existing at the Simi Valley Post Office before November 1986 and the corrective actions taken since November 1986. According to the Service, these corrective actions have resulted in marked improvements in labor-management relationships and the quality of services provided to the public. A copy of the Postmaster General's letter is included as appendix II.

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Letter From the Postmaster General

THE POSTMASTER GENERAL
Washington, DC 20260-0010

December 22, 1987

Dear Mr. Stevens:

This refers to your draft report entitled Labor-Management Relations and Customer Services at the Simi Valley, California Post Office.

The report correctly describes problems that existed at the Simi Valley Post Office prior to November 1986.

As the report notes, in November 1986 there was a change in the management of the office, corrective actions were taken, and since then there have been marked improvements in labor-management relationships and the quality of services provided the public.

We appreciate your affording us an opportunity to comment on your findings.

Sincerely,

Preston R. Tisch

Mr. L. Nye Stevens
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